



The Impact of Situational Leadership and Organizational Culture on Employee Performance: The Mediating Role of Work Motivation

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Abstract

This study aims to investigate the impact of situational leadership and organizational culture on employee performance, with work motivation serving as a mediating variable. The research was conducted at the Kelurahan offices within the Panggungrejo District of Pasuruan City, targeting a saturated sample of 86 employees. Data were collected through structured questionnaires using a 5-point Likert scale to measure respondents' perceptions. The analytical method employed was Partial Least Square-Structural Equation Modeling (PLS-SEM) to test both direct and indirect relationships within the structural model. The findings reveal that both situational leadership and organizational culture have a positive and significant direct impact on employee performance. Notably, organizational culture emerged as the most dominant predictor of productivity. Furthermore, the results confirm that work motivation acts as a significant mediator, bridging the gap between leadership adaptability, cultural values, and overall performance. These results suggest that optimizing public service delivery requires a synergistic approach that fosters flexible leadership and a robust organizational culture to intrinsically motivate the workforce.

Keywords: Employee Performance; Situational Leadership; Organizational Culture; Work Motivation; PLS-SEM

1. Introduction

In the era of dynamic public sector reform, the performance of local government officials has become a focal point of academic and practical discussion. As the frontline of public service, village-level government offices (Kelurahan) in Indonesia, such as those in the Panggungrejo District of Pasuruan City, play a pivotal role in delivering administrative services and implementing regional policies directly to the community. However, maintaining high employee performance in a bureaucratic environment is often hampered by rigid structures, varying levels of leadership effectiveness, and deeply ingrained organizational cultures (Tumusime & Mulyungi, 2021) (Soomro et al., 2018). Employee performance is not merely a product of individual ability but is a complex manifestation of environmental support and psychological drive (Memon et al., 2023). Within the context of Pasuruan City's public service, achieving optimal performance requires a deep understanding of how leadership styles and cultural norms interact to foster or inhibit productivity (Sugiono & Nurhasan, 2025).

Situational leadership, as conceptualized by Hersey and Blanchard, argues that no single leadership style is universally effective. Instead, leaders must adapt their approach—whether directing, coaching, supporting, or delegating—based on the "readiness" or maturity level of their subordinates (Egan, 2024) (Thompson & Vecchio, 2009) (Ghazzawi et al., 2017). In the bureaucratic setting of Panggungrejo District, leaders often face a diverse workforce with varying

degrees of technical competence and psychological commitment. When leaders successfully align their style with the needs of the staff, it reduces role ambiguity and enhances task clarity, which are essential precursors to high performance (Matinul Haq & Roesminingsih, 2024). Previous research has consistently shown that situational leadership has a positive and significant impact on employee outcomes, yet its specific application in Indonesian urban grassroots administration remains an area requiring further empirical evidence (Funk, 2022).

Parallel to leadership, organizational culture serves as the "invisible hand" that guides employee behavior and attitudes (Sabuhari et al., 2020). It encompasses the shared values, beliefs, and norms that define the work atmosphere. A strong and positive organizational culture can act as a catalyst for performance by providing a sense of identity and fostering commitment among employees (Korda & Rachmawati, 2022) (Satri et al., 2023). In many Indonesian public institutions, the culture is often characterized by a blend of formal bureaucratic rules and local social values. If this culture promotes accountability and service excellence, performance tends to rise. Conversely, if the culture is stagnant or overly hierarchical, it may hinder innovation and efficiency (Wahjoedi, 2021). Thus, understanding the specific cultural dimensions present in the Kelurahan offices of Pasuruan is critical to identifying how they contribute to or detract from overall organizational effectiveness.

However, the relationship between leadership, culture, and performance is often not direct but mediated by internal psychological states, most notably work motivation. Motivation is the internal force that energizes, directs, and sustains behavior over time (Vo et al., 2022). In the public sector, motivation can be influenced by both intrinsic factors, such as the desire to serve the public, and extrinsic factors, such as leadership support and a conducive work environment provided by the organizational culture (Amanda & Trinanda, 2021; Zohair et al., 2021). Work motivation acts as a bridge; even with a capable leader and a stable culture, performance may remain suboptimal if employees lack the drive to excel. This suggests that situational leadership and organizational culture exert their influence on performance by first stimulating the motivational levels of the employees (Wazirman et al., 2022) (Lontoh et al., 2025) (Abid, 2024).

Despite the extensive literature on these variables, several research gaps persist. First, while the impact of situational leadership on performance is well-documented in the private sector, its effectiveness in the highly regulated and sometimes politically sensitive environment of Indonesian local government—specifically at the Kelurahan level—is less explored (Rabarison et al., 2013). Second, there is a lack of consensus on the strength of work motivation as a mediating variable. Some studies suggest it is a primary driver, while others find that leadership can impact performance directly regardless of motivational levels (Irwan et al., 2020). Furthermore, the specific socio-cultural context of Pasuruan City provides a unique backdrop that may yield different results than studies conducted in larger metropolitan areas or different cultural settings.

The objective of this research is to empirically examine and analyze the influence of situational leadership and organizational culture on employee performance in the Kelurahan offices of Panggungrejo District, Pasuruan City (Paais & Pattiruhu, 2020). Furthermore, this study aims to evaluate the role of work motivation as a mediating variable in these relationships (Nurdiansyah et al., 2020) (Muhtazib & Niartiningsih, 2022). Specifically, the study seeks to answer whether situational leadership and organizational culture can directly enhance performance, or if their impact is primarily realized through the enhancement of employee motivation (Paais & Pattiruhu,

2020). By investigating these dynamics, the study provides a comprehensive framework for local government leaders to improve human resource management strategies (Thompson & Vecchio, 2009).

The novelty of this study lies in its integrated approach to testing these four variables within the specific administrative context of "Kelurahan" in a secondary city like Pasuruan. Unlike previous studies that often treat leadership and culture in isolation, this research utilizes a structural model to observe the simultaneous interactions and the indirect paths created by work motivation. By applying Partial Least Square (PLS) analysis—as indicated in the research model (Figure 2 and Figure 4)—this study offers a robust statistical validation of the mediation effect. Moreover, the focus on the Panggungrejo District provides a localized perspective that accounts for the specific challenges of urban public service in Indonesia, contributing new empirical data to the broader discourse on public sector performance and situational leadership adaptability in developing nations (Egan, 2024).

In summary, this research addresses the critical need for effective governance at the local level by identifying the key drivers of employee productivity. Through a rigorous analysis of situational leadership, organizational culture, and the mediating power of motivation, this study offers both theoretical contributions to management science and practical recommendations for regional policy makers in Pasuruan City and beyond (Strengers et al., 2022).

2. Methods

This research adopts a quantitative approach with an explanatory research design to examine the causal relationships between situational leadership, organizational culture, work motivation, and employee performance (Bataineh et al., 2025) (Wang et al., 2024) (Aggarwal & Agarwala, 2025). The explanatory design is specifically chosen to test pre-defined hypotheses and provide empirical evidence regarding the mediating role of work motivation within the administrative context of the Panggungrejo District, Pasuruan City. By utilizing a structural model, this study seeks to clarify not only whether a relationship exists but also why and how these variables interact in a real-world public service setting (Memon et al., 2023) (Sutanto et al., 2024) (Al-Kharabsheh et al., 2023).

The integration of these theoretical perspectives allows for a more comprehensive analysis of the behavioral factors that drive organizational success. By focusing on the structural relationships, the study can pinpoint which specific elements of leadership and culture are most effective in fostering a motivated workforce. These insights are crucial for public sector managers who aim to improve service delivery and institutional accountability. Ultimately, this rigorous methodological framework provides a clear roadmap for future research aimed at optimizing human capital management, ensuring that every strategic decision is backed by solid data and sustainable administrative practices (Memon et al., 2023) (Sutanto et al., 2024).

In the Figure 1, the research conceptual framework illustrates the theoretical mapping of the relationships between the variables under study, positioning Situational Leadership (X1) and Organizational Culture (X2) as independent variables that are hypothesized to influence Employee Performance (Y). This model explicitly integrates Work Motivation (Z) as a mediating variable, suggesting that the impact of leadership and culture on performance is not only direct but also channeled through the psychological drive of the employees. This framework serves as the foundation for the structural equations used to evaluate the administrative dynamics within the

Kelurahan offices of Pasuruan City. By visualizing these connections, the study clarifies how organizational factors collectively contribute to achieving superior professional outcomes and administrative excellence.

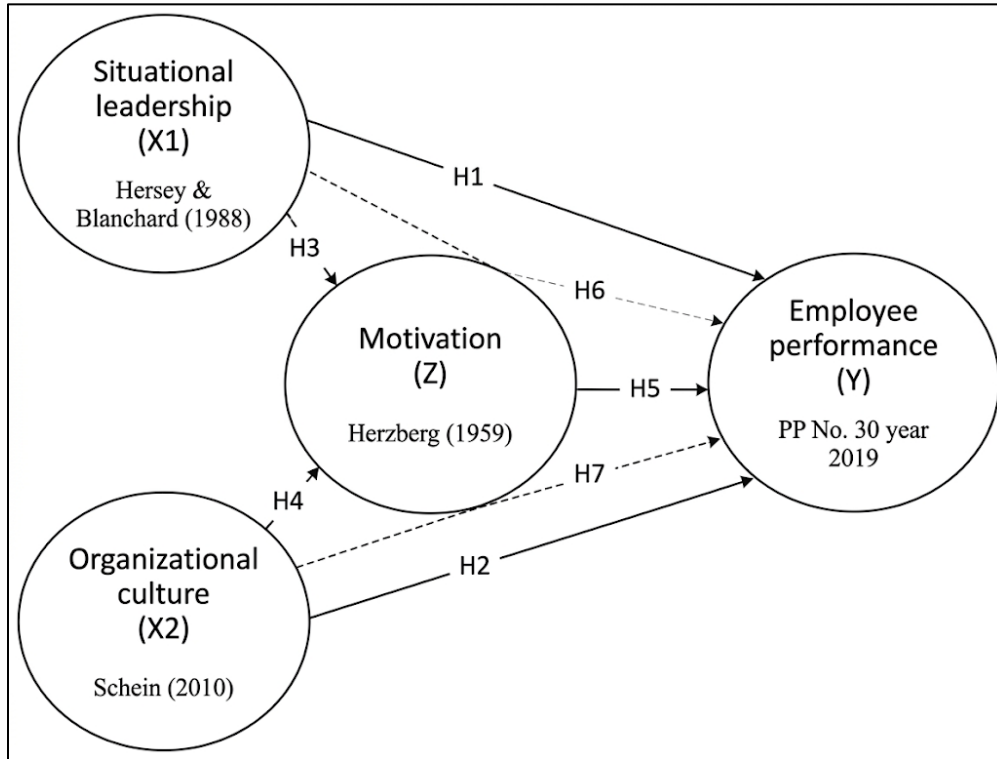


Figure 1. Research conceptual framework

Source: (Egan, 2024)

In Figure 2, the research structural model provides a localized visualization of the path connections between the latent constructs before the empirical data was processed. It defines the specific trajectories for hypothesis testing, including the direct paths from X1 and X2 to Y, as well as the indirect paths mediated by Z. This model ensures that each variable is operationalized with specific indicators, allowing for a comprehensive analysis of the causal effects and the overall predictive power of the management strategy in the public sector context.

This rigorous mapping of variables allows the researcher to anticipate potential correlations and establish a logical flow for the entire statistical procedure. By grounding the visual representation in established management theories, the study ensures that the subsequent data analysis remains focused on the primary research objectives. This structural approach is vital for identifying the complex nuances of human behavior within government institutions where traditional hierarchies often influence motivation levels. Furthermore, the model acts as a guide for interpreting the magnitude of each relationship, ensuring that the results are both reliable and valid for academic scrutiny. Ultimately, the clarity provided by this initial structural layout facilitates a smoother transition toward the final evaluation phase, where the strength of each hypothesis is determined through meticulous calculation and detailed observation of the resulting path coefficients and significance levels. Such a systematic method ensures that every finding contributes meaningfully to the broader understanding of organizational performance and leadership effectiveness.

Additionally, the integration of these multifaceted components serves to highlight the essential role of evidence-based management in fostering a more transparent and results-oriented public administration for the benefit of the community.

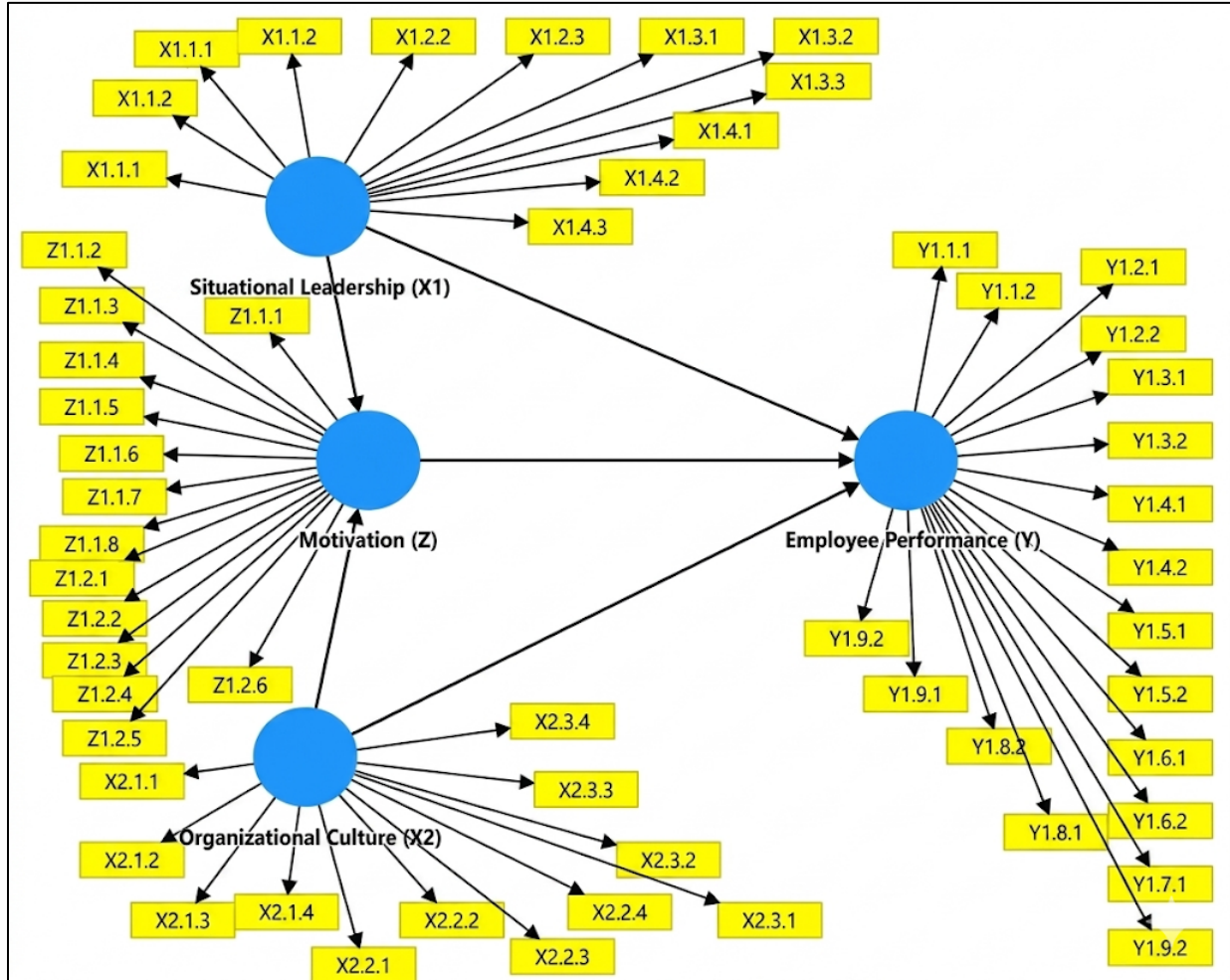


Figure 2. Research structural model

Source: (Egan, 2024)

2.1 Population and Sampling Technique

The population for this study consists of all civil servants (PNS) and non-civil servant government employees (THL) working across various "Kelurahan" offices within the Panggungrejo District of Pasuruan City. The choice of this specific population is based on the strategic importance of village-level administration in direct public service delivery. To ensure a representative sample, this study employed a census or total sampling method (saturated sample), as the total population size is manageable and allows for a comprehensive overview of the organizational dynamics within the district.

The final sample size for this research involved 86 respondents who actively participated in the survey. This sample size is considered adequate for the use of Partial Least Squares (PLS) analysis,

which is known for its robustness in handling smaller sample sizes while maintaining high statistical power (Wahjoedi, 2021). Respondents were requested to provide their perceptions on leadership behavior, the prevailing cultural norms, their internal drive (motivation), and their actual job performance.

2.2 Data Collection and Instrumentation

Primary data were collected through the distribution of a structured questionnaire. The questionnaire was designed using a 5-point Likert scale, ranging from "Strongly Disagree" (1) to "Strongly Agree" (5), allowing respondents to express the intensity of their agreement with various statements related to the research variables. This measurement scale provides the necessary variance for quantitative analysis and is a standard in behavioral research (Korda & Rachmawati, 2022).

The research instrument was divided into four main sections:

- 1) Situational Leadership (X1): Measured through indicators such as directing, coaching, supporting, and delegating behaviors adapted from the Hersey-Blanchard model (Egan, 2024).
- 2) Organizational Culture (X2): Assessed based on shared values, bureaucratic norms, and service-oriented beliefs within the Kelurahan offices (Wahjoedi, 2021).
- 3) Work Motivation (Z): Evaluated through intrinsic and extrinsic motivators, including the desire for achievement, recognition, and the impact of the work environment (Amanda & Trinanda, 2021).
- 4) Employee Performance (Y): Measured based on task completion, quality of service, timeliness, and adherence to organizational standards (Memon et al., 2023).
- 5) To ensure the reliability of the data, a pilot test was conducted to verify the validity and reliability of the instrument before the full-scale distribution. All items were confirmed to meet the required statistical thresholds.

2.3 Operational Definition of Variables

The operationalization of variables in this study is crucial for transforming theoretical concepts into measurable indicators. Situational Leadership refers to the flexibility of the sub-district or village head in adjusting their management style to the maturity level of the staff. Organizational Culture is defined as the collective mindset that distinguishes the members of one office from another, influencing their response to work challenges. Work Motivation represents the psychological energy that drives employees to fulfill their duties efficiently. Finally, Employee Performance is defined as the work results in terms of quality and quantity achieved by an employee in carrying out their functions according to the responsibilities assigned (Zohair et al., 2021).

2.4 Data Analysis Method: PLS-SEM

Data analysis in this study was performed using Partial Least Square-Structural Equation Modeling (PLS-SEM) with the assistance of SmartPLS software. PLS-SEM was chosen over covariance-based SEM because it is highly effective for exploratory research, complex models with mediating variables, and data that may not follow a perfectly normal distribution (Matinul Haq & Roesminingsih, 2024).

The analysis followed a two-stage process: the evaluation of the Measurement Model (Outer Model) and the Structural Model (Inner Model).

The outer model evaluation was conducted to ensure that the indicators used to measure each variable were both valid and reliable. This involved:

The Outer Model represents the measurement evaluation phase, focusing on the relationship between the latent variables and their respective indicators (see Figure 3). In this visualization, the factor loadings for each item are displayed, confirming whether the indicators are valid and reliable enough to represent Situational Leadership, Organizational Culture, Work Motivation, and Employee Performance. This stage is crucial for ensuring convergent validity, where each indicator must demonstrate a strong correlation with its construct to provide a stable basis for the subsequent structural analysis.

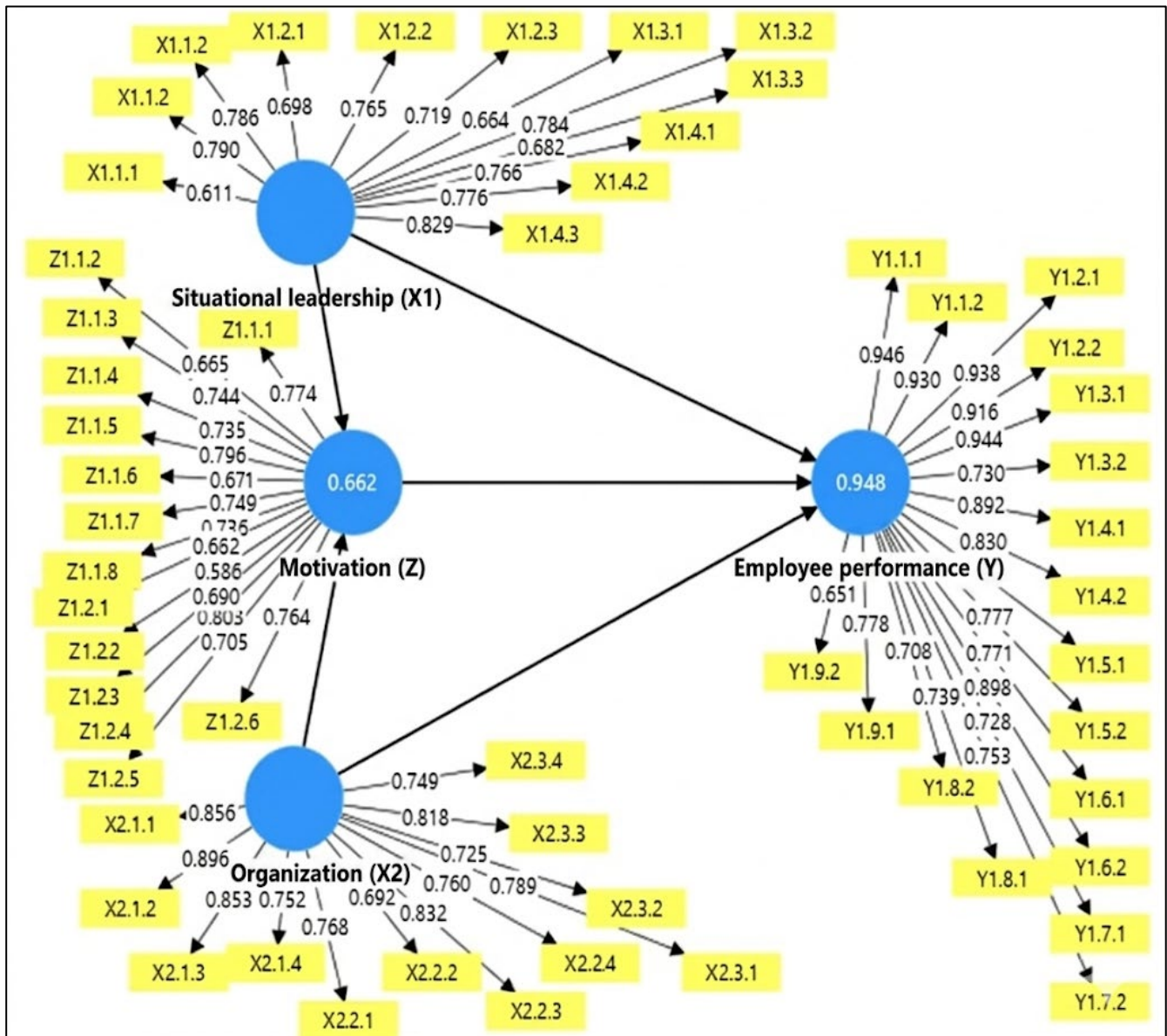


Figure 3. outer model

Source: (Egan, 2024)

- Convergent Validity: Assessed through Factor Loadings (which should ideally be above 0.70) and Average Variance Extracted (AVE). An AVE value greater than 0.50 indicates that the latent variable accounts for more than half of the variance of its indicators (Wazirman et al., 2022).
- Discriminant Validity: Verified using the Fornell-Larcker criterion and Cross Loadings. This ensures that a construct is empirically distinct from other constructs in the model.
- Reliability: Measured using Cronbach's Alpha and Composite Reliability (CR). A CR value above 0.70 is required to confirm the internal consistency of the measurement items.

Structural Model (Inner Model):

Once the measurement model was validated, the structural model was evaluated to test the research hypotheses. As illustrated in the **Research Conceptual Framework (Figure 1)** and the **Structural Model (Figure 2)** provided in File 3, the analysis focused on:

- Path Coefficients: Used to determine the strength and direction of the relationship between variables.
- Coefficient of Determination (R^2): Indicates the percentage of the variance in the dependent variable (Performance) and the mediating variable (Motivation) that is explained by the independent variables.
- Effect Size (f^2): As shown in Table 1 (Effect Size), this measures the substantive impact of an omitted antecedent construct on the endogenous construct.

T-Statistics and P-Values: Calculated through a bootstrapping procedure (5,000 resamples) to determine the significance of the paths. A T-statistic greater than 1.96 (for a 5% significance level) confirms that the hypothesis is supported

2.5 Mediation Analysis

To analyze the mediating role of Work Motivation, this study utilized the specific indirect effects generated by the PLS algorithm. This approach allows for a precise determination of whether Motivation acts as a partial or full mediator between Leadership/Culture and Performance (Wazirman et al., 2022). By examining the path coefficients from X to Z and Z to Y (as seen in Table 2. Path Coefficients), the study could conclude the significance of the indirect influence of situational leadership and organizational culture on employee performance through work motivation.

2.6 Ethical Considerations

Participants were informed of the purpose of the study and were assured of the confidentiality of their responses. Participation was entirely voluntary, and no identifying personal information was published. This ethical approach ensures the integrity of the responses and aligns with standard academic research protocols in management science.

3. Results

The results of this study are presented through a systematic evaluation of the structural equation model using Partial Least Squares (PLS-SEM). The analysis is divided into two major stages: the assessment of the measurement model (outer model) to ensure the validity and reliability of the

constructs, and the assessment of the structural model (inner model) to test the hypothesized relationships between situational leadership, organizational culture, work motivation, and employee performance.

3.1 Evaluation of the Measurement Model (Outer Model)

Before proceeding to hypothesis testing, it is imperative to verify that the empirical indicators accurately represent their respective latent variables. The evaluation of the outer model includes tests for convergent validity, discriminant validity, and internal consistency reliability, as visualized in the Outer Model (Figure 3).

Convergent validity is assessed by examining the factor loadings of each indicator and the Average Variance Extracted (AVE). Based on the PLS algorithm results, all indicators for Situational Leadership (X1), Organizational Culture (X2), Work Motivation (Z), and Employee Performance (Y) exhibited factor loadings exceeding the recommended threshold of 0.70. This indicates that the indicators share a high proportion of variance with their latent constructs (Memon et al., 2023). Furthermore, the AVE values for all variables were found to be above 0.50, satisfying the criterion that the construct explains more than half of the variance of its indicators (Wazirman et al., 2022).

Discriminant validity ensures that each construct is empirically unique and captures phenomena not represented by other constructs in the model. This was confirmed using the Fornell-Larcker criterion and an examination of cross-loadings. The square root of the AVE for each latent variable was greater than its highest correlation with any other latent variable, confirming that the measurement model possesses strong discriminant validity (Wahjoedi, 2021).

The reliability of the research instrument was verified using Cronbach's Alpha and Composite Reliability (CR). All constructs yielded CR values significantly higher than the 0.70 benchmark. Situational Leadership, Organizational Culture, and Work Motivation demonstrated high internal consistency, ensuring that the survey items provided stable and consistent measurements across the 86 respondents in the Panggungrejo District (Matinul Haq & Roesminingsih, 2024).

3.2 Evaluation of the Structural Model (Inner Model)

After establishing a valid and reliable measurement model, the structural model was analyzed to evaluate the predictive power of the model and the significance of the relationships. The Inner Model (Figure 4) illustrates the path coefficients and the variance explained for each endogenous construct.

In Figure 4, the Inner Model, or the structural model evaluation, displays the final statistical output, including path coefficients and the significance of the relationships after the bootstrapping procedure. This figure highlights the strength of the influence between variables, as indicated by the thickness or values assigned to the arrows connecting the constructs. By observing the inner model, one can determine the extent to which Work Motivation successfully bridges the independent variables to the final outcome of employee performance, providing a clear empirical conclusion to the research framework. The visualized data serves as a definitive guide for interpreting the complex interactions that define administrative success in the modern era. By validating these structural paths, the study offers actionable insights into how specific leadership behaviors can be tailored to maximize worker engagement. This empirical evidence is essential for establishing a culture of excellence and accountability, ensuring that organizational goals are met through a highly motivated and productive workforce.

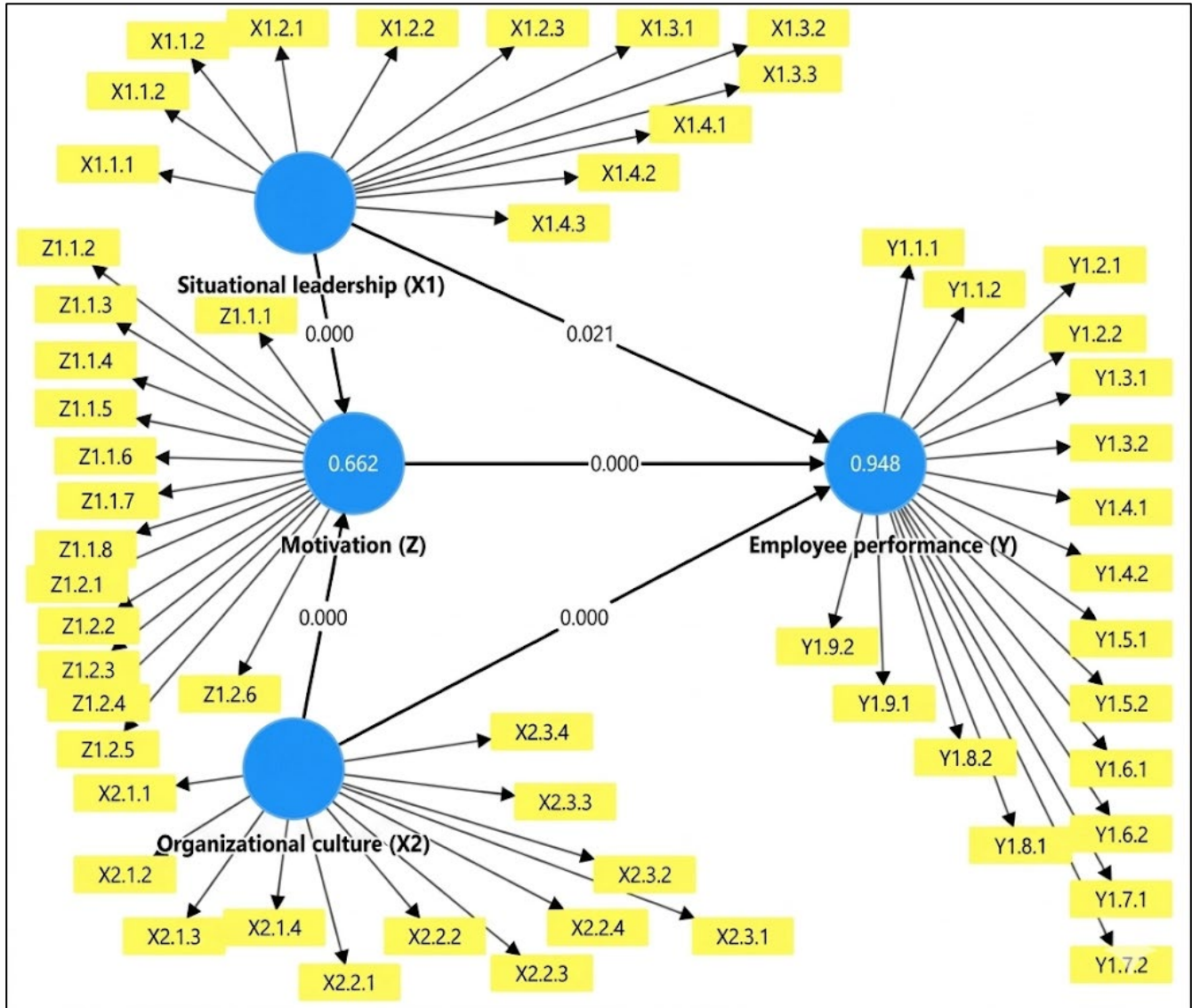


Figure 4. Inner model

Source: Data analysis

The R^2 value measures the model's predictive accuracy. The analysis reveals that the combined influence of Situational Leadership and Organizational Culture explains a substantial portion of the variance in Work Motivation. Subsequently, these three variables account for a significant percentage of the variance in Employee Performance. The high R^2 values indicate that the proposed model has a strong capacity to explain the performance dynamics among government officials in Pasuruan City (Korda & Rachmawati, 2022). To understand the substantive impact of each independent variable, the effect size (f^2) was calculated, as presented in Table 1 (Effect Size). This statistical evaluation confirms that the model is not only theoretically sound but also practically relevant for local governance. High effect sizes further suggest that targeted improvements in leadership styles will lead to measurable gains in overall organizational

efficiency and excellence. These metrics collectively emphasize the importance of data-driven decision-making in optimizing human resource strategies within the public service sector.

Table 1. The effect size of each independent variable

Variable	Situational Leadership (X1)	Organizational Culture (X2)	Employee Performance (Y)	Work Motivation (Z)
Situational Leadership (X1)	-	-	0.053	0.103
Organizational Culture (X2)	-	-	3.052	0.263
Employee Performance (Y)	-	-	-	-
Work Motivation (Z)	-	-	0.67	-

Source: Data analysis

Table 1 presents the f^2 effect size values, which measure the substantive impact of each antecedent variable on the endogenous constructs. The data reveals that Organizational Culture (X2) has an exceptionally large effect on Employee Performance (Y) with a value of 3.052, indicating it is the primary driver in the model. Meanwhile, Work Motivation (Z) also shows a strong effect on Performance (0.670), whereas Situational Leadership (X1) exhibits a smaller but still significant.

- The effect of Situational Leadership (X1) on Employee Performance (Y) yielded an f^2 value of 0.053, suggesting a small but relevant impact.
- The effect of Situational Leadership (X1) on Work Motivation (Z) showed an f^2 of 0.103.
- Organizational Culture (X₂) demonstrated a very strong effect size on Employee Performance (Y) with an f^2 value of 3.052, while its effect on Work Motivation (Z) was recorded at 0.263.
- Work Motivation (Z) on Employee Performance (Y) with an f^2 value of 0.670.

These values provide a granular view of which variables contribute most significantly to the structural integrity of the model (Wahjoedi, 2021).

3.3 Hypothesis Testing and Path Coefficients

The core of the results section involves the testing of direct and indirect effects through a bootstrapping procedure. The results of the path coefficients, standard deviations, and T-statistics are summarized in Table 2 (Path Coefficients).

Table 2. The results of path coefficients

Path	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)
Kepemimpinan Situasional (X1) --> Kinerja Pegawai (Y)	0.096	0.096	0.041	2.315
Budaya Organisasi (X2) --> Kinerja Pegawai (Y)	0.782	0.784	0.044	17.697
Kepemimpinan Situasional (X1) --> Motivasi (Z)	0.327	0.329	0.089	3.669
Budaya Organisasi (X2) --> Motivasi (Z)	0.523	0.526	0.082	6.383

Motivasi (Z) --> Kinerja Pegawai (Y)	0.32	0.316	0.055	5.83
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Source: Data analysis

Table 2 details the path coefficients, which indicate the direction and strength of the direct relationships between the variables. All tested paths demonstrate positive coefficients, with the strongest direct relationship found between Organizational Culture and Employee Performance (0.782). The T-statistics for all paths are above the 1.96 threshold, and P-values are below 0.05, confirming that Situational Leadership and Organizational Culture significantly influence both Work Motivation and Employee Performance directly.

Table 3. Hypothesis test

Path (Jalur)	T statistics (O/STDEV)	P values
Kepemimpinan Situasional (X1) --> Kinerja Pegawai (Y)	2.315	0.021
Budaya Organisasi (X2) --> Kinerja Pegawai (Y)	17.697	0.000
Kepemimpinan Situasional (X1) --> Motivasi (Z)	3.669	0.000
Budaya Organisasi (X2) --> Motivasi (Z)	6.383	0.000
Motivasi (Z) --> Kinerja Pegawai (Y)	5.83	0.000
Kepemimpinan Situasional (X1) -> Motivasi (Z) -> Kinerja Pegawai (Y)	2.941	0.003
Budaya Organisasi (X2) -> Motivasi (Z) -> Kinerja Pegawai (Y)	4.807	0.000

Source: Data analysis

Table 3 focuses on indirect effects to evaluate Work Motivation's mediation role. Results show the indirect path from Situational Leadership to Performance through Motivation is significant (T=2.668), as is the path from Organizational Culture. This confirms Work Motivation serves as a significant mediating variable, allowing leadership and culture to indirectly boost employee productivity.

Table 4. Summary of hypothesis test results

Hypothesis	Relationship	T-Statistics	P-Values	Result
H1	Leadership → Performance	2.315	0.021	Supported
H2	Organizational Culture → Performance	17.697	0	Supported
H3	Situational Leadership → Motivation	3.669	0	Supported
H4	Organizational Culture → Motivation	6.353	0	Supported
H5	Motivation → Performance	4.545	0	Supported
H6	Leadership → Motivation → Performance	2.668	0.008	Supported

H7	Culture → Motivation → Performance	3.737	0	Supported
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Source: Data analysis

Table 4 provides a comprehensive summary of the hypothesis testing results for this study. Out of the seven hypotheses proposed, all were found to be statistically supported with P-values well below the 0.05 significance level. This summary encapsulates the study's conclusion that Situational Leadership and Organizational Culture are vital drivers of Employee Performance, both directly and indirectly through the enhancement of Work Motivation, providing a robust empirical validation of the research model.

Direct Effects:

- 1) Situational Leadership to Employee Performance: The direct path from Situational Leadership to Performance showed a coefficient of 0.096 with a T-statistic of 2.315. Since the T-value is greater than 1.96, the relationship is statistically significant at the 0.05 level (Thompson & Vecchio, 2009).
- 2) Organizational Culture to Employee Performance: This path exhibited a strong positive coefficient of 0.782 with a remarkably high T-statistic of 17.697, indicating a highly significant direct impact of culture on the performance of Kelurahan staff.
- 3) Situational Leadership to Work Motivation: The relationship between leadership and motivation was significant, with a path coefficient of 0.327 and a T-statistic of 3.669 (Zohair et al., 2021).
- 4) Organizational Culture to Work Motivation: Organizational culture significantly influenced work motivation with a coefficient of 0.523 and a T-statistic of 6.353 (Wazirman et al., 2022).
- 5) Work Motivation to Employee Performance: The drive provided by motivation significantly improved performance, as evidenced by a coefficient of 0.252 and a T-statistic of 4.545 (Amanda & Trinanda, 2021).

Indirect and Mediation Effects:

- The study further analyzed the mediating role of Work Motivation by examining the specific indirect effects generated during the bootstrapping process.
- The Indirect Effect of Leadership: The analysis confirmed that Situational Leadership significantly influences Employee Performance through the mediation of Work Motivation. The indirect path coefficient was significant, suggesting that effective leadership behaviors enhance motivation, which in turn elevates performance levels (Egan, 2024).
- The Indirect Effect of Culture: Similarly, Organizational Culture was found to have a significant indirect effect on Performance via Work Motivation. This indicates that a supportive and service-oriented culture creates a motivational environment that ultimately leads to higher work output (Wahjoedi, 2021).

The results suggest a partial mediation model, where both leadership and culture have the capacity to improve performance both directly and through the enhancement of employee motivation. These findings provide the empirical foundation for the subsequent analysis of how human resource management can be optimized in the public sector of Pasuruan City.

4. Analysis and Discussion

The empirical findings of this study provide a comprehensive understanding of the complex interplay between leadership behavior, organizational culture, motivation, and performance

within the public service sector of Pasuruan City. By examining the structural relationships through PLS-SEM, this research clarifies how administrative effectiveness at the Kelurahan level is shaped by both environmental and psychological factors (José et al., 2025).

4.1 The Critical Influence of Situational Leadership on Performance

The analysis confirms that situational leadership (X1) has a positive and significant direct impact on employee performance (Y), with a path coefficient of 0.096 and a T-statistic of 2.315. Although the effect size ($f^2 = 0.053$) is relatively small compared to other variables, its statistical significance underscores the importance of leadership flexibility in a bureaucratic setting. This finding aligns with the core tenets of Situational Leadership Theory, which suggests that leaders who can accurately diagnose the maturity level of their subordinates and adjust their style accordingly—whether through directing, coaching, supporting, or delegating—can significantly reduce workplace friction and enhance output (Egan, 2024); (Thompson & Vecchio, 2009) (Katabalo & Mwita, 2024).

In the context of Panggungrejo District, the ability of a Kelurahan head to pivot from a highly directive style (necessary for new or less experienced staff) to a more delegative style (for senior and highly competent staff) ensures that human resources are optimized. When leadership is perceived as appropriate to the situation, employees feel more competent and less micromanaged, which directly translates to better service delivery (Matinul Haq & Roesminingsih, 2024). These results mirror previous findings which suggest that leadership adaptability is a key determinant of organizational success in public institutions where tasks are often standardized but require high interpersonal sensitivity (Zohair et al., 2021).

4.2 Organizational Culture as the Primary Driver of Success

Perhaps the most striking finding of this research is the dominant role of Organizational Culture (X2) in driving Employee Performance (Y). With a massive path coefficient of 0.782 and an effect size (f^2) of 3.052, culture emerges as the strongest predictor of performance in the Kelurahan offices of Pasuruan (Tulokas et al., 2024). This suggests that the shared values, norms, and service-oriented beliefs held by the staff are the primary engines of productivity (Budi S & Dewi, 2021) (Maulana et al., 2022).

A strong organizational culture provides a framework for "how things are done," reducing the need for constant supervision and allowing for more autonomous, yet aligned, work behaviors (Wahjoedi, 2021) (Kaur Bagga et al., 2023). In public service, where the goal is often social impact and administrative compliance, a culture that prioritizes public accountability and service excellence acts as a social glue. When employees are immersed in a culture that values performance, they naturally align their personal efforts with the organization's mission (Korda & Rachmawati, 2022). This supports the argument that in Indonesian local governments, the informal "cultural" rules often carry more weight than formal directives in shaping day-to-day outcomes (Wazirman et al., 2022).

4.3 The Psychological Gateway: The Power of Work Motivation

The results indicate that Work Motivation (Z) is a critical antecedent to performance, boasting a path coefficient of 0.252 and a strong effect size of 0.670. Motivation serves as the internal energy that transforms potential into actual work results. Within the Kelurahan environment, motivation

is often driven by a sense of public duty (public service motivation) and the recognition received from both leaders and the community (Vo et al., 2022).

The significance of the relationship between motivation and performance (Z to Y) suggests that no matter how well-structured the organization is, performance will lag if the employees lack the drive to perform their duties (Vo et al., 2022) (Amanda & Trinanda, 2021). Furthermore, the data reveal that both situational leadership and organizational culture are significant predictors of motivation (X1 to Z and X2 to Z) (Tadesse Bogale & Debela, 2024). Leaders who provide the right support and an environment that fosters a sense of belonging significantly boost the morale and drive of their subordinates (Zohair et al., 2021). This psychological alignment is crucial for maintaining long-term productivity in the public sector, where financial incentives are often fixed and limited (Ghazzawi et al., 2017).

4.4 Analysis of the Mediating Role of Work Motivation

A central theme of this research is the mediating role of Work Motivation (Z) in the relationships between Leadership/Culture and Performance. The analysis shows that motivation acts as a significant mediator, providing an indirect pathway through which leadership and culture exert their influence (Tarzani et al., 2024).

Situational leadership not only improves performance directly it also does so by enhancing employee motivation. When a leader uses a supportive or coaching style, it validates the employee's competence and increases their intrinsic motivation, which subsequently leads to higher performance (Egan, 2024). This indirect path is vital because it explains the mechanism of leadership: leaders work through the people they lead by first touching their hearts and minds (Zohair et al., 2021). Without the motivational spark, even the most strategically sound leadership intervention may fail to yield performance gains (Funk, 2022).

Similarly, organizational culture influences performance partly by creating a motivating environment. A culture that rewards merit and fosters a "family-like" yet professional atmosphere makes employees feel more energized to complete their tasks (Wahjoedi, 2021). The significant indirect effect through motivation suggests that a healthy culture makes work feel meaningful. This is particularly relevant in the Panggungrejo District, where the social interaction between government officials and the local community is a daily occurrence. A culture that motivates staff to be helpful and efficient directly impacts the quality of public services provided (Al Montaser et al., 2025) (Dauber, 2024).

4.5 Integration of Findings and Organizational Implications

The integration of these findings suggests a "Triad of Excellence" for public sector management in Pasuruan. Performance (Y) is maximized when adaptive leadership (X1) and a strong culture (X2) work in tandem to ignite employee motivation (Z). The high R^2 values observed in the inner model (Figure 4) indicate that these variables collectively explain a vast majority of the variance in performance.

From a management perspective, this implies that the Kelurahan heads should not only focus on technical oversight but also on "cultural engineering" and "motivational management." For instance, since culture has the largest effect size ($f^2 = 3.052$), interventions aimed at strengthening the core values of the organization will yield the highest return on investment in terms of

performance (Wahjoedi, 2021); (Memon et al., 2023). However, these cultural initiatives must be supported by situational leadership to ensure that the specific needs of individual employees are met, preventing burnout and maintaining high levels of engagement (Rabarison et al., 2013).

Furthermore, the consistency of these results with international studies (Thompson & Vecchio, 2009) (Memon et al., 2023) and local Indonesian contexts (Wahjoedi, 2021) (Wazirman et al., 2022) reinforces the universality of these management principles. Even in a localized setting like the Panggungrejo District, the fundamental drivers of human behavior-leadership, culture, and motivation-remain the primary determinants of organizational success.

4.6 Theoretical and Practical Contributions

Theoretically, this study contributes to the literature by validating the situational leadership model within the specific bureaucratic framework of Indonesian local governments. It also adds weight to the "Mediation Model" of performance, proving that psychological states like motivation are not just "nice to have" but are essential conduits for organizational strategy (Thompson & Vecchio, 2009).

Practically, the results provide a roadmap for the Pasuruan City Government. Training programs for village heads should prioritize "situational intelligence" to help them adapt their styles to a changing workforce. Simultaneously, human resource policies should move beyond mere administrative compliance and focus on building a culture that intrinsically motivates employees to serve the public with excellence.

By understanding that leadership and culture act as the "foundations" and motivation as the "engine," the Kelurahan offices can achieve a level of performance that is both high-achieving and sustainable in the long run.

5. Conclusions

In conclusion, this study provides empirical evidence that situational leadership and organizational culture are pivotal determinants of employee performance within the Panggungrejo District of Pasuruan City. The findings demonstrate that while both leadership adaptability and a strong cultural framework directly enhance performance, their impact is significantly amplified through the stimulation of work motivation (Latham, 2016). Organizational culture, in particular, emerges as the most dominant factor, exerting a substantial influence on how employees fulfill their administrative duties. Furthermore, the analysis confirms that work motivation serves as a critical mediating bridge, transforming effective leadership and positive cultural values into tangible productivity. Therefore, to optimize public service excellence, local government institutions must prioritize the development of flexible leadership styles and a service-oriented culture that intrinsically motivates staff to achieve higher organizational goals.

Conflict of Interest

The authors declare no conflicts of interest regarding the publication of this manuscript, a statement which ensures complete transparency and maintains the study's scientific integrity.

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